



Uganda Revenue Authority  
DEVELOPING UGANDA TOGETHER

# REVENUE IMPLICATIONS OF GENDER INCLUSIVE TAX POLICY

## The Case of Uganda

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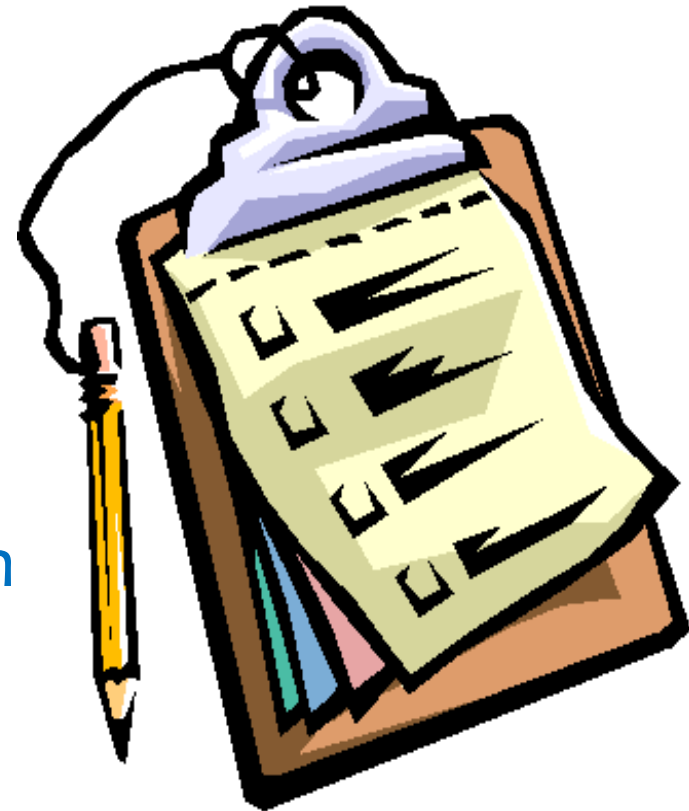
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# Profile

- A bachelor of Statistics , Masters in Quantitative economics holder .
- 20 years experience in tax administration in Uganda.
- Chair person of the East African Revenue Authorities Research Committee.- chief editor of the EAC regional comparative report.
- Advisor at the Africa Tax Administration Forum.
- Member of Board and researcher at the ICTD.

# TALKING POINTS

- Introduction
- Gender bias in taxation
- Tax Incidence
- Recommendations and conclusion



# *Introduction*

# 1

# SOCIAL ECONOMIC DEVELOPMENT

**Our ambitions for social economic development as a country are outlined in the National Development Plan (NDP).**

## Uganda Vision 2040



- A transformed Ugandan society from a peasant to a modern and prosperous country within 30 years
- From a predominantly low income of a per capita of USD 506 To a middle income by 2017 and per capita of USD 9,500 by 2040.

**This transformation is expected to be fully financed through Tax revenue**

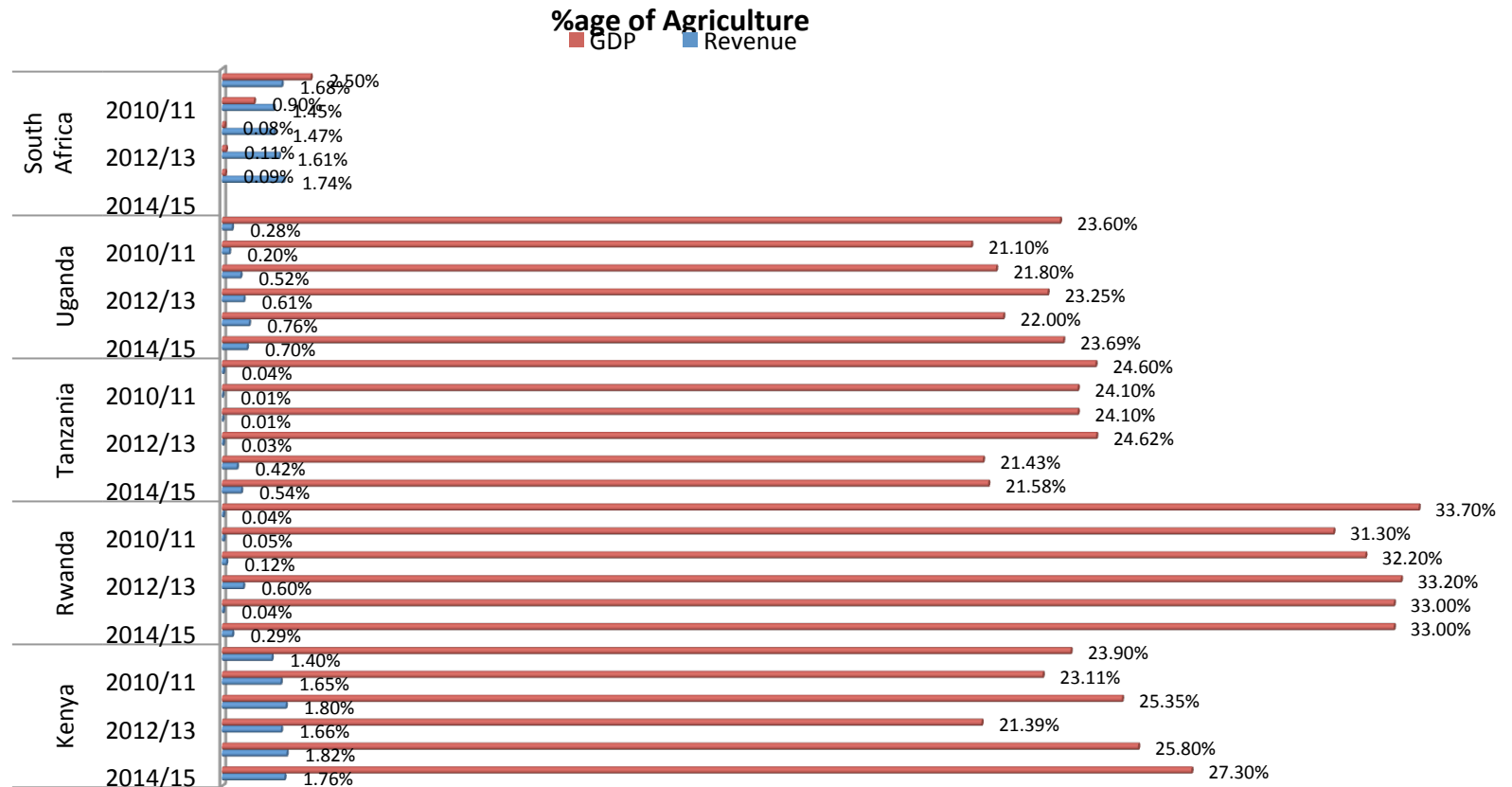
# GENDER INCLUSIVE TAX POLICY

- Do tax policies place undue burden to the poor?
- What methods are used to collect from the poor?
- Pro-poor tax system is one of the Doha Declaration commitments on financing for development in 2008.
- Countries with higher levels of gender equality have higher rates of economic growth and lower rates of poverty ( AFDB 2013)
- Hence the need to have gender inclusive tax policies .





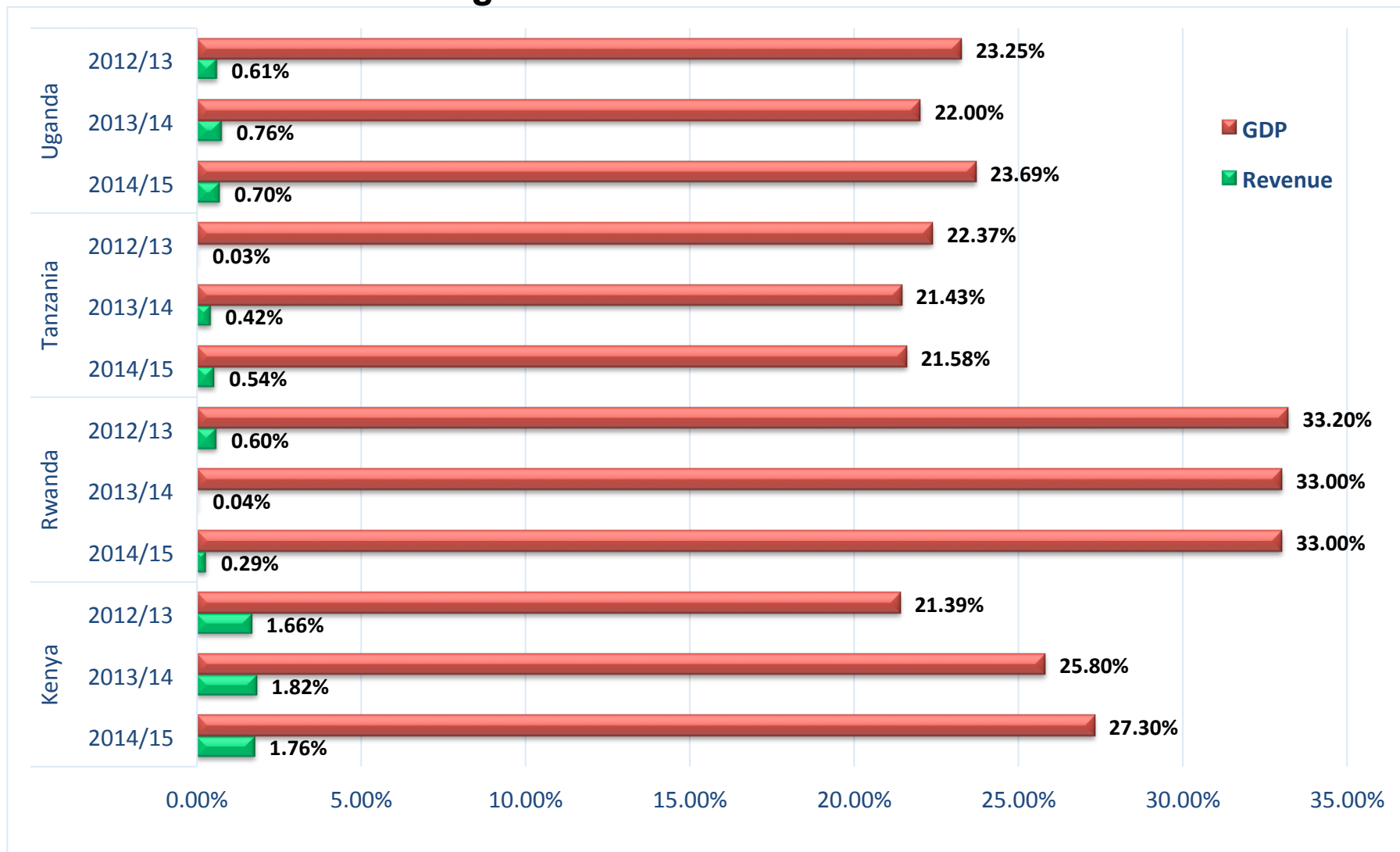
# SECTORAL CONTRIBUTION(REVENUE VS GDP)



Uganda's agriculture is subsistence and hence informal In Uganda informal sector 49% of GDP employs 70% of pop. Of which 39% are women.

# SECTORAL CONTRIBUTION (REVENUE VS GDP)

## Agriculture Sector Contribution





# *Gender bias in taxation*

# 2

# GENDER BIAS IN TAXATION

- Explicit gender bias –

Tax legislation contains specific provisions that treat women and men different

- Implicit gender bias –

Tax legislation that intersects with gender relations , norms and economic behavior

# PRINCIPLES OF TAXATION

- **Broad principles ; neutrality , efficiency , certainty , simplicity , effectiveness, fairness , flexibility etc .**
- **Equity**
  - Horizontal equity -taxpayers in similar circumstances pay similar amounts of tax , discouraging the need to target gender.
  - Vertical equity – taxpayers with greater ability to pay should pay more implying that vulnerability of women in poverty would be mitigated by imposing on them taxes commensurate to their income – PAYE
- **Neutrality**
  - Taxes neutral and equitable between forms of business
  - Tax system raises revenue while minimizing discrimination in favor of or against any particular choice or gender .

# TAX COMPLIANCE

**Though compliance studies show that there is more compliance in women, data in Uganda on compliance processes such as filing returns, payments etc is not gender disaggregated.**

**It is however important to understand gender dimensions or gender specific tax compliance behavior in order to design interventions that are policy or administrative in nature**

# *Tax Incidence*

# 3

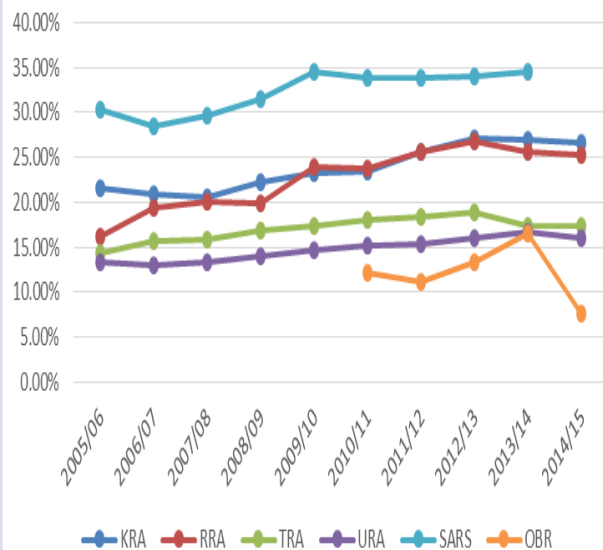
# TAX INCIDENCE

- Design of a tax system may have distributive or allocative effect .
- VAT system in Uganda exerts gender bias because of women's consumption patterns that are different from men.

# TAX HEAD CONTRIBUTION TO TOTAL REVENUE

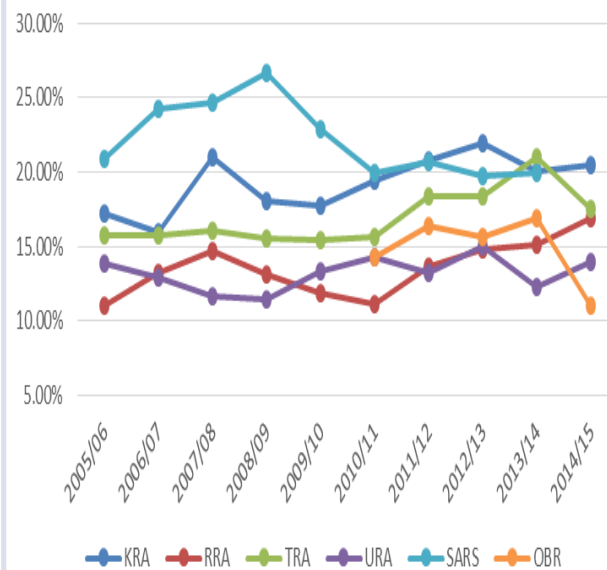
## Personal Income Taxes (PIT)

PIT as % of Total Revenue



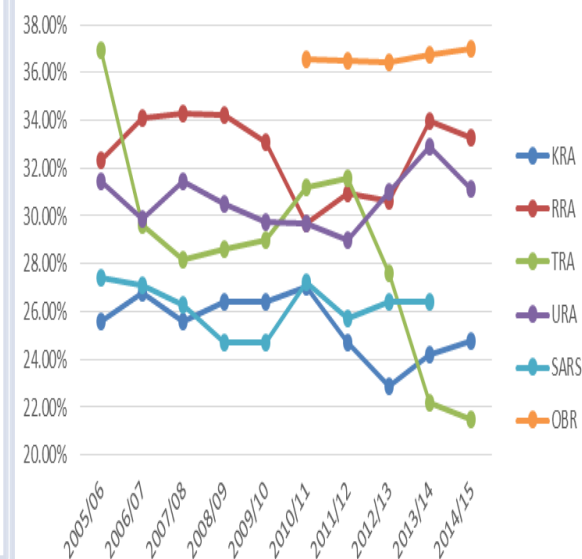
## Corporation Income Tax (CIT)

CIT as a % of Total Revenue



## Value Added Tax (VAT)

VAT as a % of Total Revenue



- OBR PIT affected increased threshold , CIT removal of minimum tax of 1% turnover in case of loss )
- TRA growth in economy not reflecting in revenue in 2014/15( VAT decline very high ) , however RRA and URA in tandem except for VAT . URA VAT challenged by major capital investments .



# TAX INCIDENCE

Indirect taxes are increasingly becoming an important revenue base in developing countries and because women are more likely to be disproportionately represented in low income households , there is a need to examine the tax incidence of VAT , Excise , fuel duties etc from a gender equality perspective .

# *Recommendations and Conclusion*

# 4

# RECOMMENDATIONS

- The methods that governments use to raise taxes can be made more gender equitable. Policy analysts can scrutinize tax policies for explicit and implicit gender biases, and legislative action may be necessary to eliminate explicit biases.
- Policy makers can review and redesign the structure of exemptions and deductions in personal income taxes to ensure that they do not reinforce existing gender inequalities. Indirect taxes can often be made gender-equitable by including exemptions and zero rating of basic consumption goods. VAT reforms that lower the price of basic goods or services disproportionately consumed by women could also improve the gender responsiveness of tax policies and potentially transform existing gender inequalities.

# RECOMMENDATIONS

- Engendering of tax policy requires improvements in the collection of sex-disaggregated data. The URA should consider collecting tax payer information on filers by sex.
- Collection of gender disaggregated revenue statistics would help identify the required compliance interventions upon understanding of gender dimensions or gender specific tax compliance behavior.
- Tax policies should be synergistically implemented with other various national policies on gender equity, inclusiveness and national development.

# CONCLUSION

*The gender sensitive tax policy is an imperative for widening the tax base, improving tax efficiency, enhancing revenue yield and addressing the cardinal principles of taxation.*

*The foregoing discussions show a gradual shift of tax policy towards more gender inclusive policy. However, due to their lack of focus/target toward specific gender, their effectiveness is affected by lack of knowledge and statistics on their gender implications.*

*There is therefore scope for policy makers to shape tax policies that raise revenue while addressing gender inequalities. Raising revenue is critically important for gender equality since it enables governments to spend more on social programs that increase women's economic opportunities and help reduce their burden of unpaid care work.*

**Thank you**